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MOBILOZOPHY

WHAT'S YOURS?

What You Should Know About Mobile Coupons



Table of Contents

Table of Contents.....2

What You Should Know3

Mobile Coupon Usage in America.....4

Advantages of Mobile Coupons.....5

Formats of Mobile Coupons.....7

Redemption Solutions.....9

What Does All This Mean?.....10

What You Should Know

The Mobile Marketing Association (MMA) defines a mobile coupon as an electronic coupon delivered to a mobile phone, which can be exchanged for a financial discount or rebate when purchasing a product or service. A report released from Koupon media, indicates as mobile engagement becomes increasingly important to brands and retailers, mobile coupons are emerging as a top priority.

Look inside as we show you the multitude of reasons American companies are using mobile coupons! This white paper explores some of the important aspects that marketers need to know about mobile coupons:

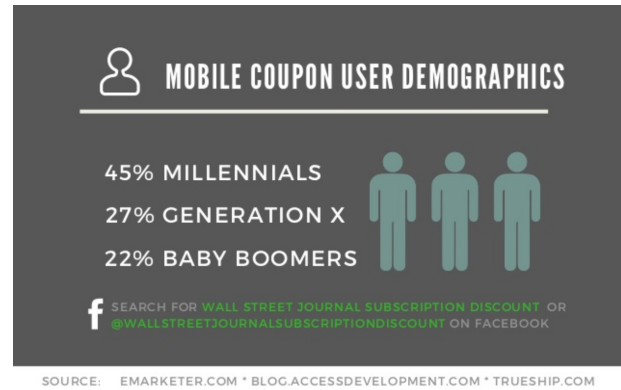
- » Mobile Coupon Usage in America
- » Advantages of Mobile Coupons
- » Formats of Mobile Coupons
- » Redemption Solutions



Mobile Coupon Usage in America

Digital consumers are on the go and expect information to be readily accessible. That's why more and more retailers, grocers, restaurants, venues and other businesses are utilizing mobile coupons as opposed to print. Many of which are experiencing a 10-40 percent redemption increase, especially with targeted coupons based on location.

Trends indicate that customers tend to spend more money and buy more products, when they're given a mobile coupon. Just check out some of these facts:



- » According to eMarketer, the number of U.S. mobile coupon users reached 104 million.
- » 500 million mobile coupons were delivered in 2015.
- » 77% of consumers spend \$10-\$50 more than anticipated when redeeming mobile coupons.
- » 48% of U.S. companies are using mobile coupons.

Advantages of Mobile Coupons

Think about how many paper coupons that you accumulate in a given week. One, three or 10? And, where are those coupons? Stacked on your kitchen counter, in the console of your car or possibly stuffed in a briefcase or purse? How often do you actually redeem those coupons? Are you one of those consumers that frequently forget your coupons therefore, missing out on saving money?

What if you were able to take out your mobile phone and voila locate your coupon? Mobile coupons have a number of significant advantages over their traditional paper counterparts:

Convenience

It's no secret smartphone owners bring their handsets just about everywhere they go. Mobile shoppers like to use their devices for in-store activities, including redeeming coupons. There is no need to print, clip, or store pieces of paper.

Cost-Effective

Mobile coupons help eliminate the costs associated with the distribution and processing of paper coupons. But the cost benefits do not stop there - the distribution of coupons takes on an entirely new mindset. Digital coupons also solve an ongoing problem with paper-based coupons, which cost companies millions and, possibly, billions of dollars per year. And that is fraud.

Redemption

The validation and redemption of digital coupons is typically quicker and more accurate than that of the paper coupon. Additionally, if you are a retailer accepting brand coupons, the settlement process is likely to be faster and more accurate than is the case with traditional paper coupons, enabling merchants to receive payment from brands within agreed

terms and on-time.

Data Collection

Mobile coupons can also enable merchants and brands to collect more complete, timely and accurate information on specific customers, leading to a better understanding of those customers and the potential to build a direct relationship.

Social Influence

Creating digital/mobile coupons that can be easily shared with friends is essential for a successful digital coupon campaign. Social Times cites that 28% of digital coupon users share coupons using a social media site, meaning that your digital coupons are being seen by more than just the people who sign up for them. Allowing easy sharing access will only drive more customers into your store, thereby driving your sales.

Flexibility

Mobile gives you the flexibility to offer specials and discounts on certain days and times or date ranges. Those extra shopping trips can equate to a boost in your annual sales while ensuring customer loyalty at the same time.

Formats of Mobile Coupons

Mobile coupons can be delivered in a variety of formats. These formats range from SMS, MMS, Bluetooth LE (Beacons), Mobile Websites/pages and Mobile Apps.

SMS (Text Message)

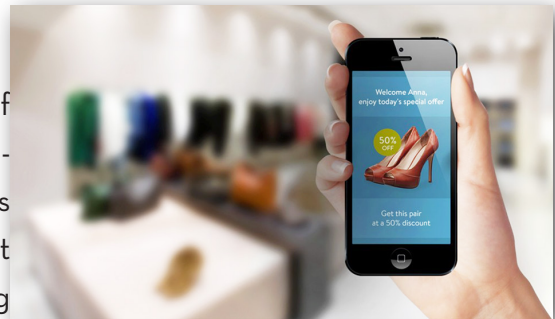
You can send those consumers who have opted in to your text marketing program a basic text message that states an offer, which can include a redemption code that can be keyed into the point-of-sale system (POS). Or, a basic text message that includes a URL link that opens a mobile web page with a coupon image.

MMS (Multimedia Message Service)

Another option is MMS. A form of text message that allows you to send rich colorful images of coupons to be sent to mobile subscribers who have MMS capabilities on their mobile device.

Mobile Web

Mobile web-based coupons have the advantage of being accessible to any consumer who has a mobile device with Internet capabilities. Simply put it's a mobile web page created in HTML. If you aren't familiar with HTML, there are mobile marketing platforms, like Mobilozophy's mzCONNECT that



allows you to easily design and publish mobile coupons without needing coding knowledge.

Mobile Application

In a mobile app, you can create a single mobile coupon or offer a variety of offers/deals/coupons that your consumers can choose to use at the point of purchase.

Bluetooth LE (Beacons)

With beacons, you can push notifications to consumers who have installed your beacon-enabled mobile application on their mobile device and are in range of the beacon. The message can detail an offer and/or include a link to a coupon.

QR Codes

Printing QR Codes on printed marketing materials allows your consumers the option of opening their mobile device camera or a reader/scan application and scanning the QR code to open a mobile coupon in seconds.

Redemption Solutions

Studies have shown that mobile coupons provide a greater redemption return than that of traditional coupons. Why? Well one reason is that they are always accessible.

Another is your ability to meet consumers' demands by delivering the right offer at the right time. How? With the ability to track redemptions, you can learn consumers' behaviors and target based upon these patterns.

Here are some redemption solutions that can work for your business.

QR Code

QR Codes are a simple means for redemption. You can add a QR Code to a mobile coupon and when the coupon is presented the cashier simply scans the QR code and in seconds will receive a reply as to whether the coupon is valid or not.

Stamp Redemption

An economical means of capturing mobile coupon redemption developed specifically for small to medium-sized businesses. Each time a consumer presents the stamp page when making a purchase, the redemption transaction gets recorded. During the purchasing process, the cashier simply validates the coupon by scanning the centered stamp page and allowing a few seconds for the system to confirm validation and deliver a success message.

POS Redemption

For businesses wanting to capture redemption at the point-of-sale (POS) system, there are two options. Either manually entering a numeric code or scanning a barcode code into the POS. The POS then sends a transaction via a payment gateway to Mobilozophy's mzConsumerIntel database requesting verification as to the coupon validity. Once mzConsumerIntel verifies the coupon, a response is sent to the payment gateway, which responds to the POS the coupon validation results. The POS processes the coupon redemption information and updates totals by applying the coupon value.

What Does All This Mean?

Mobile coupons are a great way to deliver personalized offers which consumers can access at the precise time that they need them - at the point of purchase. And, at the same time, they provide the opportunity to collect important transactional data. Getting a consumer's view maximizes engagement, brand experience and ultimately their loyalty.

There are options for every size business, big or small, with huge budgets to spend or just a little cash to invest, to get involved with mobile coupons.

At Mobilozophy, we understand it's a big step, but it's one we are prepared to take with you. Let us show you how you can get started using mobile coupons today!

For More Information on Mobile Coupons
Visit Our Website at mobilozophy.com
or call us at 866.631.5773